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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - April 11, 2008

11. The following are brief items of interest compiled by Embassy Minsk.

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##### Civil Society

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#### 12. Official: Opposition Recommendations Constructive

Secretary of the Central Election Commission (CEC) Nikolay Lozovik

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announced April 7 that he considered the six recommendations that the United Democratic Forces' (UDF) proposed to improve implementation of electoral regulations "generally constructive" and added that the CEC will "thoroughly study" them. For Free and Fair Elections Campaign Coordinator Viktor Korniyenko maintained that current electoral laws were not "perfect," but it was not "realistic to amend them" before parliamentary elections scheduled for September 2008. The UDF's proposals focus on improving "society's political standards" and proposed changes to the formation of precinct electoral commissions and their members' duties, registration of observers and their rights, ballot-counting procedures, rules for media coverage of the campaign, and campaigning procedures.

### 13. Opposition Youth Banned From Traveling to Poland

Malady Front (MF) opposition youth Anastasiya Palazhanka was banned April 5 from traveling to Poland. Border guards ejected her from a train on its way to Warsaw allegedly because she is the subject of an ongoing criminal investigation opened March 14. Palazhanka maintained the police did not notify her of any charges against her and the border guards "had false information." Several leading MF activists have already been banned from traveling abroad.

### 14. Former Prisoner to Found Radiation Safety Center

Prominent researcher and former political prisoner Yuriy Bandozhevskiy announced plans April 4 to establish an international center for ecology, health, and radiation safety. The Lithuanian-backed center will conduct research and provide medical assistance to people in Belarus and the Baltic States living in areas where the death rate significantly exceeds the birth rate due to environmental factors. Bandozhevskiy noted the center will coordinate efforts to help Chernobyl liquidators and their family members as well as encourage European NGOs to assist Belarusian children affected by various Chernobyl-related conditions.

### 15. Prosecutor Extends Investigation into Disappearances

On April 8 the Prosecutor General extended for three months its nine-year long investigation into the 1999 disappearance of former Interior Minister and opposition leader Yuriy Zakharenko. Lawyer Oleg Volchek stated that prosecutors have been extending the investigation every three months noting "its results will be further delayed." Volchek expressed no hope that the perpetrators of the disappearance will be held criminally accountable and expects the investigation to drag on another sixteen years until the case's 25-year statute of limitations expires.

### 16. Belarusian TV Broadcast in North America

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Senator and Chairperson of the National TV and Radio Broadcasting Company Aleksandr Zimovskiy told reporters April 8 that the GOB's decision to begin satellite broadcasting of Belarusian National TV in North America was in no way connected with the current diplomatic row with the U.S. Zimovskiy maintained that "Belarus TV would have entered the North American market no matter what course international relations took." The channel has been available in the U.S., Canada, Mexico, Cuba, Puerto Rico, and Guatemala since March 28 in a package with Russian, Ukrainian, and Armenian channels.

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Domestic Economy  
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### 17. Belarusians to Pay More for Utilities This Year

An unnamed high-ranking GOB official told Prime-Tass April 7 that utility costs for individuals must be increased by an additional USD 3 some time this year. Aleksandr Lukashenko's stated policy of limiting utility increases to USD 5 per year will therefore be exceeded, as utility fees already rose by that amount January 1. Though the increase may seem nominal, it represents roughly one per cent of the average Belarusian's monthly salary.

### 18. GDP Grows 10.5 Per Cent in First Quarter

Belarusian Prime Minister Sergey Sidorskiy announced April 9 that the country's GDP grew through March by 10.5 per cent. According to official statistics, industrial output grew 13 per cent and real income rose 12 per cent.

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International Trade  
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### 19. MFA Releases 2007 Report On Arms Sales Abroad

On April 8 the Ministry of Foreign Affairs released its 2007 National Report On Export Control Policies, Export of Armaments and Military Equipment. The report provides general information on Belarusian arms trade with 50 countries. Eighty-two Belarusian companies had arms export licenses, including eight new companies registered in 2007. The GOB issued 250 licenses for import and export of armaments in 2007. Military analyst Aleksandr Alesin noted that the structure of Belarus' arms exports changed as Belarus no longer exports heavy equipment produced in the USSR and now trades in dual-use technologies, air-defense, and aviation control systems. As no official financial specifics were provided in the report, Alesin estimated the value of Belarusian arms exports at USD 300 million.

#### 10. Beer Imports Rise Dramatically

According to government statistics released April 4, Belarus' beer imports rose in January and February by 64.3 per cent compared to the same time period last year. Beers from Russia and Ukraine account for 99.2 per cent of all imports.

#### 11. Trade Deficit with Russia May Reach USD 12 Billion

Belarus' trade deficit with Russia continues to increase. The deficit reached USD one billion in January 2008 and USD 1.99 billion by the end of February, putting it on pace to reach USD 12 billion by the end of the year. In 2007, the deficit with Russia reached only USD 791.9 million by the end of February. The overall trade deficit in goods, however, reached only USD 362.3 million for January-February, due to an improving of positive trade balance with non-CIS countries. Last year, the overall trade deficit in goods reached a record high USD 4.3 billion

#### 12. Quote of the Week

Member of Parliament Olga Abramova, on the futility and meaninglessness of EU sanctions:

"I sometimes get the feeling the EU is just pretending to take a stand. Sanctions are a very easy way to look like you're doing something. The EU introduces sanctions and lets society paddle around together, then waits for things to settle down. It's easier for them than getting involved with real problems."

Moore  
Leader